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S E C R E T SECTION 01 OF 10 TOKYO 006497

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SUBJECT: U.S.-JAPAN-AUSTRALIA TRILATERAL STRESSES NEED FOR
FULL IMPLEMENTATION OF UNSCR 1718

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proceed, he said. U/S Joseph said that he was impressed by the turnout from a variety of Japanese domestic agencies. The three governments would require the participation by all their relevant agencies if they hoped to achieve success at implementing all aspects of UNSCR 1718.

Opening Remarks

15. (S) The passage of UNSCR 1718 was of critical importance to the U.S. and represented several things, U/S Joseph continued. North Korea's nuclear test changed the regional security environment and has undermined the nonproliferation regime, he said, and UNSCR 1718 represents the international community's response to that challenge. It also presents and opportunity to put into place missile defense capabilities to protect countries in the region. The U.S. trilateral agenda, would touch on a number of things:

-- Review of steps toward implementing UNSCR 1718 that have been completed.

-- Discussion on a maritime inspections regime.

-- Architecture for detection of nuclear, radioactive substances.

-- Adoption of steps beyond UNSCR 1718 in the context of and in preparation for improving the security environment. These future steps would include financial tools to disrupt DPRK illicit activities, or steps to improve missile defenses.

¶16. (S) DFAT Deputy Secretary Ritchie voiced strong support for international action toward North Korea. The DPRK's nuclear test, he continued, brought into focus the threat to peace and security in the region, as well as the threat to the nonproliferation regime. Australia welcomed North Korea's decision to return to the Six-Party Talks, but would insist that the DPRK abandon its nuclear program as called for in the September 19, 2005 statement from the last Six-Party Talks. Canberra would call for the full implementation of UNSCR 1718, independent of Pyongyang's decision to return to the talks, Ritchie said.

¶17. (S) The U.S., Japan, and Australia were likely to reach easy agreement on next steps toward implementing UNSCR 1718, Ritchie noted. It would be important, however, to look for ways to mobilize support among countries in the region, especially for those states that did not directly participate in the Proliferation Security Initiative (PSI) but which nevertheless wanted to increase pressure on North Korea. The trilateral countries must do something to catalyze action in the international community, the DFAT official said.

¶18. (S) DFM Nishida said that Japan welcomed Beijing's announcement that the U.S., DPRK, and PRC had reached agreement on the North's return to the Six-Party Talks. The resumption of the Six-Party Talks, however, was not an end in itself. The DPRK, Nishida said, would need to comply with UNSCR 1695 and 1718, and would have to abandon its nuclear program in a full and verifiable manner. Even if the Six-Party Talks resume, the DFM added, Pyongyang would still not reach full compliance with the UNSCRs. Japan would therefore not relax its sanctions, he noted. Nishida stated that the trilateral countries would need to work with China, South Korea, and Russia to apply pressure on the DPRK.

Implementation of 1718

¶19. (S) DG Nakane distributed a handout that summarized the
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measures that Tokyo has already taken against the North:

-- Banned official travel to/from DPRK, passenger ferry Man Gyong Bong, charter flights. (July 5)

-- Designated 15 entities plus one individual as being connected with WMD and/or missile transactions. (September 19)

-- Banned entry into Japan of DPRK ships, DPRK goods, and DPRK citizens. (October 11)

¶10. (S) Japan had already implemented many of the items stipulated under UNSCR 1718, Nakane noted, but needed to consider two points further: cooperative action on 1) inspecting cargo and 2) luxury goods. The Japanese delegation distributed an Illustrative List of luxury goods to be banned, which Nakane emphasized was not final and that Tokyo wanted the U.S. and Australia to refrain from disseminating. The Japanese government was engaged in internal discussions about how to define luxury goods in hopes of meeting the November 13 deadline for countries to submit lists to the 1718 sanctions committee. It might not be possible for the U.S., Australia, and Japan to agree on every item on the list, he noted. However, the Abe Administration wanted to talk to trilateral participants about timing, and to review the items that were being given to the regime. Tokyo understood that some UN members were having trouble compiling a list of luxury good, and was

anxious to hear other ideas, Nakane said.

¶11. (S) The U.S. viewed UNSCR 1718 as a means to apply leverage against North Korea to comply with its obligations, Joseph responded. Sanctions must remain until the DPRK has undertaken the complete, verifiable, and irreversible elimination of its nuclear program. He emphasized that the next round of Six-Party Talks would not be conducted on a business as usual basis, and that the parties must work toward achieving a meaningful and concrete outcome.

¶12. (S) Outlining steps that Washington has taken pursuant to UNSCR 1718, the Under Secretary noted that the U.S. has:

- Communicated with all relevant UN parties about the need to fully implement the resolution.

- Urged PSI participants to implement the agreement.

- Urged key states to withhold bunkering services and to inspect suspect cargo.

- Warned nations that the activities of the Korean Mining Development Trading Company (KOMID) may violate the provisions of UNSCR 1718.

- Worked to identify suspect vessels and to persuade other countries to inspect suspect cargo.

- Coordinated with Australia and Japan to achieve consensus in the Nuclear Suppliers Group (NSG), Missile Technology Control Regime (MTCR), and the Australia Group (AG).

- Engaged with Taiwan to regulate entities producing machine tools.

- Identified entities for designation under E.O. 13382 in order to disrupt DPRK illicit financial activities.

- Cooperated with Japan to develop a list of persons and entities subject to a travel ban and financial restrictions

- Implemented existing legislation to re-impose economic sanctions under the Arms Control Export Act) a step that

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has practical as well as symbolic importance.

¶13. (S) DFAT DepSec Ritchie stressed that UNSCR 1718 would need to be implemented independent of the Six-Party Talks process. While Australia was not a party to the talks, Canberra nevertheless remained skeptical that the next round of Six-Party Talks would achieve anything. He suggested, therefore, that trilateral discussion might proceed as if the Six-Party Talks would not make any progress.

¶14. (S) Ritchie reviewed steps that Australia had taken in support of UNSCR 1718:

- Issued a condemnation of the DPRK's October 9 nuclear test.

- Encouraged many countries to support UNSCR 1718 provisions such as bunkering services and port inspections.

- Implemented import controls regarding military and dual use goods. Encourage implementation of the NSG, MTCR, and AWG regimes.

- Developed legislation aimed at implementing UNSCR 1718.

- Directed the customs service to implement to the ban on the import/export of prohibited goods.

- Coordinated action across the Australian government to proactively restrict cargo from North Korea.

-- Targeted transshipped cargo.

-- Worked at developing a luxury goods list.

¶15. (S) Canberra had also identified 12 entities plus one individual as engaged in activities related to WMD and/or missile proliferation, banned port access for North Korean vessels and tightened visa requirements to restrict entry of DPRK citizens, Ritchie reported.

Inspection Regime and Working Group

¶16. (S) U/S Joseph prefaced the U.S. inspection regime proposal by noting that when Secretary Rice visited Japan and the region three weeks earlier, she made it clear the U.S. did not envision the inspection provision of UNSCR 1718 as an embargo or blockade of North Korea. We would envision, however, as a prerequisite to implementation of UNSCR 1718, giving close scrutiny to North Korean cargo. U/S Joseph stated that China, Russia, and South Korea must give close scrutiny to North Korean cargo transiting their territory via rail, road, and air, as well as their territorial waters, and that the U.S. was encouraged by the responses from China, Russia and South Korea.

¶17. (S) PDAS Patricia McNerney presented the U.S. proposal to create an inspection regime for UNSCR 1718 implementation. PDAS McNerney, reiterating that the inspection regime is not a blockade or embargo, highlighted that the burden of enforcement is placed on United Nations member states, with the onus on the states to ensure their territories, waters, and airspace are not used to support activities proscribed in UNSCR 1718. PDAS McNerney stressed that actions should be taken where maximum legal authority exists, and that law enforcement actions will be essential, to include active involvement of customs and border officers, enforcement of export control laws, training of officers to detect prohibited items, and robust use of the MOU on Port State Control in the Asia-Pacific Region (the so-called "Tokyo MOU") to inspect North Korean ships. (In connection with

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this last point, PDAS McNerney noted that 40 percent of North Korean ships were detained in Tokyo MOU ports between January and March 2006, very often for reasons of cracked hulls or other similar maritime safety issues.) PDAS McNerney added that securing the commitment of states in the region, particularly China and other ASEAN states, will be key to successful implementation of UNSCR 1718.

¶18. (S) PDAS McNerney stressed that we should reach out to states to secure commitments to do the following: (1) Subject cargo passing through their territory, airports, and seaports -- regardless of specific information on the cargo -- to increased inspection and scrutiny if going to or from North Korea; (2) Implement increased screening of road and rail shipments at border crossings (especially China and Russia); (3) Agree to allow boarding and inspection of vessels using their flag for compliance with UNSCR 1718; (4) Pledge to increase information sharing regarding cargos and deceptive practices used by North Korea to evade UNSCR 1718; and (5) Endorse the PSI Statement of Interdiction Principles if they have not yet done so.

¶19. (S) Turning to the issue of developing a cooperative approach for use in international waters, PDAS McNerney stated that, consistent with national and international laws, states should consider available actions on the high seas, in a manner that will create a deterrent effect on North Korea. These actions should include (1) consensual boarding, in which we should build on the work of PSI to target third-country flagged vessels to North Korea and seek commitment from states to allow boarding when we have reason

to believe UNSCR 1718 is being violated; (2) non-consensual boarding when these are consistent with international law, as no new boarding authorities were granted in UNSCR 1718; and (3) deterrence actions, such as increased use of the peacetime rights of "approach" and "visit" on the high seas to determine a ship's nationality and increased overt tracking of ships to and from North Korea. The goal of these (and perhaps other possible) actions is to increase the calculation on North Korea's part before it undertakes shipments or transfers of proscribed items.

¶20. (S) PDAS McNerney presented the U.S. proposal for the creation of a U.S.-Japan-Australia UNSCR 1718 Working Group, which could identify and discuss the national and international resources and assets available to implement UNSCR 1718, develop a plan for increased information sharing and for sharing the burden of implementation, and develop and implement a plan to undertake radiation detection on the high seas using existing capabilities. (Additional states, including PSI partners such as Singapore, could later be added to the Working Group.) Pointing out the sensitivity of the following areas, PDAS McNerney suggested the Working Group should also explore additional measures including overt tracking, surveillance, and querying of North Korean owned, operated, and/or flagged ships on the high seas and in straits; clandestine surveillance of, and intelligence gathering on, ships known to have been involved in trafficking activities or otherwise raising suspicions that they may be carrying prohibited cargo; and identifying "UNSCR 1718 scrutiny zones," areas constrained by geographic coordinates and time for the purpose of intensified scrutiny.

¶21. (S) In conclusion, PDAS McNerney summarized that a comprehensive inspection architecture requires strong declaratory statements by states on readiness to fully implement UNSCR 1718, credible actions by states to back up statements, including increased scrutiny of cargo to and from North Korea, enhanced use of authorities in international waters, and an expanded working group to investigate what can be done on the high seas.

¶22. (S) Following PDAS McNerney's presentation, U/S Joseph
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briefly summarized the U.S. position by underlining the need for a formal mechanism such as the proposed 1718 Working Group. U/S Joseph stressed that any actions taken in international waters would be fully consistent with legal authorities -- which UNSCR 1718 does not expand -- and he further stressed that the United States envisioned very selective actions, rather than "Rambo-like" actions, based on assessments that a vessel is carrying cargo related to WMD or missile systems. The U.S. position reflects the seriousness with which we view the North Korean threat, U/S Joseph stated, and emphasizes detection, as the U.S. is concerned North Korea might transfer nuclear materials to other rogue states or terrorist groups.

Australian Response to U.S. Proposal

¶23. (S) In response to the U.S. proposal, Australian DFAT Deputy Secretary Ritchie pronounced Australia in "violent agreement" with what had been said by the U.S. representatives, and stated that Australia would welcome the creation of the Working Group, which he predicted would be very valuable. Ritchie foresaw two key issues that would arise in connection with the inspection regime, namely how participants would mutually task and coordinate maritime and other assets, and how they would share intelligence. Ritchie noted that the inspection provision of UNSCR 1718 had been widely misinterpreted in public commentaries. Consequently, it was important to stress that the inspection regime was not an embargo, he said, echoing comments of U/S Joseph and PDAS McNerney.

¶24. (S) The only significant area in which the Australian view did not coincide perfectly with the U.S. view pertained to PSI: Ritchie underscored the need to communicate to current non-participants in PSI that "we love them too," and he gently cautioned against scaring any countries off by pushing PSI too aggressively. Although some countries have lingering doubts about PSI, even those countries might still participate in the inspection regime against North Korea. Ritchie cited the case of Indonesia to highlight this point, relating that although we had not convinced Indonesia to join PSI, Ritchie judged that Indonesia would take action if it were provided specific information on suspect North Korean cargo transiting Indonesian territory. Ritchie also emphasized the great value in talking to Singapore, a natural partner, and he cautioned against neglecting Malaysia or Thailand, in addition to Indonesia.

Japanese Response to U.S. Proposal

¶25. (S) Deputy Vice Minister Nishida thanked the U.S. government for its efforts, and expressed Japan's understanding for the proposed selective, rather than "Rambo-type," actions with regard to the inspection regime. Nishida stated that in order to obtain broad cooperation from other states, we would need to emphasize the inclusive, vice exclusive, nature of our efforts, and to enlist the help of a broad array of participants. Japan has been working with other countries and obtaining agreement in principle for cooperation, but it is difficult to obtain support in practice. Nishida further mentioned that he is slated next week to visit India, another country hesitant to participate in PSI, but an important player nonetheless. In concluding his response, Nishida declared that intelligence exchange must be maintained, the morale of customs and police officers must be boosted, and mutual trust among the participating countries would determine the success or failure of our efforts against North Korea.

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¶26. (S) DG Nakane stated that Japan wanted to take necessary actions, including cargo inspections, and pointed out that Japan has been an active participant in PSI, has encouraged other countries to participate in PSI, and desires to further strengthen cooperation with other states in PSI and to broaden PSI activities. Nakane pointed out that a maximum effort is necessary within the scope of national legal authorities, and to that end, Japan is investigating what is actually allowed under Japanese law. With regard to China, Japan was pleased that China has already expressed an intention to expand its cargo-monitoring activities. Japan is also hopeful that South Korea will consider PSI participation. In response to the specific U.S. proposal for a UNSCR 1718 Working Group, Nakane stated that Japan cannot formally respond at this time, but would need to examine the proposal, which would involve several government agencies, and formulate an official response. (Nishida subsequently indicated Japan's interest in follow-on discussions.)

PSI Progress, Urge Swift Decision on Working Group

¶27. (S) Before moving to the next agenda item, U/S Joseph commented briefly on the Australian and Japanese responses. U/S Joseph agreed with the Australian point that we must not scare away any countries by insisting on full PSI membership. While the U.S. views PSI participation as the standard of good non-proliferation behavior, we also need to extend a welcome hand to countries outside the PSI framework. U/S Joseph cited two recent cases of success in expanding PSI to Central Asia and to the Persian Gulf: Four of five key Central Asian states have endorsed PSI and agreed to deny

over-flight rights to aircraft flying between North Korea and Iran in cases where we have information on WMD cargo. This year, five of six Gulf States have endorsed PSI, with Bahrain hosting a PSI exercise the previous week. These developments have sent a clear message to Iran, he pointed out.

128. (S) U/S Joseph acknowledged the Chinese and South Korean sensitivities to PSI, but noted that each have come a long way in their acceptance of the initiative. U/S Joseph further agreed on the need to reach out to Singapore, and expressed complete agreement with DVM Nishida's view that we must be inclusive, not exclusive, in confronting the North Korean problem. Finally, U/S Joseph expressed firmly the hope that Japan will be able to respond to the Working Group proposal very soon. The urgency of the threat means that, if we are serious, we need to cut through the bureaucracy, he stressed.

U.S. Detection Architecture Briefing

129. (S) William Tobey, Deputy Administrator for Defense Nuclear Nonproliferation, DOE/NNSA, briefed the assembly on U.S. concepts for deterring North Korean nuclear proliferation. The primary mission of the proposed detection architecture is deterrence, not comprehensive inspection of all cargo. Such deterrence is achieved by increasing the probability of detection for illicit transfers of nuclear weapons materials, and by declaratory policy regarding the consequences of attempting such transfers. Tobey stated that the U.S. is most concerned about North Korean transfers to the Middle East, and therefore several transit areas were key: China, Russia, Central Asia, the Straits of Malacca, and the Suez Canal.

130. (S) Tobey reviewed the Megaports program, whereby NNSA provides radiation portal monitors (RPMs) at seaports to screen cargo containers; the "Second Line of Defense" (SLD) RPMs provided at airports and land border crossings (road and

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rail); the DHS/CBP Container Security Initiative (CSI), wherein CBP officers are posted to foreign seaports to identify and refer high-risk containers to host customs counterparts for inspections; opportunities for aircraft inspections via an extended SLD program; the possibility of opportunistic inspections using U.S.-provided radiation detection equipment; and the Commodity Identification Training (CIT) program, which familiarizes foreign customs inspectors with WMD technologies sought by procurement programs and proliferators.

Responses to Detection Architecture

131. (S) Ritchie noted the detection architecture briefing was interesting, adding that Australia had considerable sympathy for such programs. Ritchie stated that CSI and Megaports were welcome proposals, but needed to be broadened in scope to include not only U.S.-bound cargo. (Note: After the conclusion of Ritchie's remarks, Tobey clarified that CSI applied only to U.S.-bound cargo, but Megaports and SLD were directed at shipments worldwide, not only those bound for the United States. End note.) Ritchie further noted the technical difficulties inherent in these programs, such as how to effectively screen containers, and suggested it may be beneficial if technical experts from each of the three countries were to get together and work jointly on the technical problems.

132. (S) DG Nakane responded that, with regard to the Megaports initiative, cooperation was still underway between Japan and the United States on the customs level. Regarding CSI, DG Nakane also pointed out that the program is targeted

at cargo destined for the U.S., and queried whether the scope might be broadened by looking at cargo beyond that headed to the U.S.

¶33. (S) In response to the comments by Ritchie and DG Nakane, U/S Joseph expressed U.S. openness to extending the scope of programs like CSI and to collaborating on research and development into nuclear materials detection. Although there is a level of confidence in our ability to detect nuclear materials, we are limited by current technology and we need to do more. He seconded Ritchie's suggestion to bring technical experts in this field together, in particular to examine what we can do on the problem of remote detection of nuclear materials, as this represented a gap in current detection capabilities. U/S Joseph further suggested that the technical experts' discussions could take place in the context of the proposed Working Group. U/S Joseph expressed every confidence that Japan would be able to participate in the Working Group, given the gravity of the threat.

¶34. (S) DVM Nishida shared his personal view that there is indeed a potential for cooperation on research and development, and that the technical experts should convene as proposed. As a final point, Nishida stressed the need to ponder on a theoretical level what can be done beyond UNSCR 1718.

Conclusion

¶35. (S) In the final minutes of the session, which had ran over the allotted time, Ritchie returned to the issue of maritime inspections, noting the importance of Japan, Australia, and the U.S. sending coordinated, common messages to other countries in the region. The three countries need to share with each other the messages they are giving to other countries on this topic, as well as the outcomes of such briefings, in order to better coordinate their

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approaches to other regional partners. Nishida again called attention to China, Russia, and South Korea, as North Korea's land-connected neighbors, and expressed Japan's hope for a positive outcome to U/S Joseph's next stops on his current East Asian tour. To this U/S Joseph responded that the U.S. was encouraged by the outcome of recent U.S. officials' visits to China, South Korea, and Russia, and that we intended to explain in depth to our Chinese, South Korean, and Russian colleagues how we can collaborate on UNSCR 1718 implementation, and how this implementation relates to the Six-Party Talks.

¶36. (U) Participants:

Unite States

Robert G. Joseph, Under Secretary for Arms Control and International Security
David Stephens, NSC, Acting Senior Director for Counter-Proliferation Strategy
Joseph Donovan, DCM, U.S. Embassy
Patricia McNerney, ISN PDAS, DOS
Connie Taube, Embassy
William Tobey, Deputy Administrator for Defense Nuclear Nonproliferation, DOE
MG Timothy Larsen, Deputy Commander, USFJ
Eliot Kang, ISN/RA Senior Advisor, DOS

Japan

Tsuneo Nishida, Deputy Foreign Minister

SIPDIS

Takeshi Nakane, DG for Disarmament, Nonproliferation, and
Science, MOFA
Kiyoshi Serizawa, Director, Arms Control and Disarmament
Division, MOFA
Yasushi Masaki, Director, International Legal Affairs
Division, MOFA
Takehiro Funakoshi, Senior Foreign Policy Coordinator,
Foreign Policy Division, MOFA
Makita Shimokawa, Cabinet Counsellor, Office of the Assistant
Cabinet Secretariat for Foreign Policy, Cabinet Secretariat
Kenichi Takahashi, Cabinet Counsellor, Crisis Management and
Security, Cabinet Secretariat
Keiichiro Nakao, Cabinet Information Research Office
Mr. Ishikawa, National Police Agency
Mr. Manabe, Director, Policy Division, Self-Defense Agency
Mr. Takaya, Director, General Affairs, Immigration
Bureau, MOJ
Mr. Sugiyama, Director, First Division, Second Research
Bureau, Public Security Agency
Mr. Uno, Director, Investigation Division, Customs Bureau, MOF
Mr. Naka, Director, Research Division, International
Bureau, MOF
Mr. Hosotani, Director, Trade Control, METI
Mr. Takeda, Ministry of Land, Infrastructure and
Transportation
Mr. Watanabe, Security Planning, Japan Coast Guard

Australia

David Ritchie, Deputy Secretary, DFAT
Murray Perks, Acting Head, Strategic Policy Division, DoD
Sophia McIntyre, Executive Officer, Counter-Proliferation
Section, DFAT
Justin Whyatt, Executive Officer, International Security
Division, DFAT
Group Captain Mathew Dudley (DoD), Australian Embassy
Robert Rushby, Counsellor (Customs), Australian Embassy
Jenny Bloomfield, Counsellor (Political), Australian Embassy

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137. (U) The U/S Joseph delegation cleared this message.
SCHIEFFER